

AXIS BANK

**Q1 FY 09
Results**

INVESTOR PRESENTATION






1



AXIS BANK

PERFORMANCE HIGHLIGHTS

Q1 FY09

- Net Profit  89 % yoy*
- Net Interest Income  93 % yoy
- Fee Income  80 % yoy
- Operating Revenue  82 % yoy
- Operating Profit  118 % yoy
- Net Interest Margin 3.35 %
- Cost of Funds 6.11 %

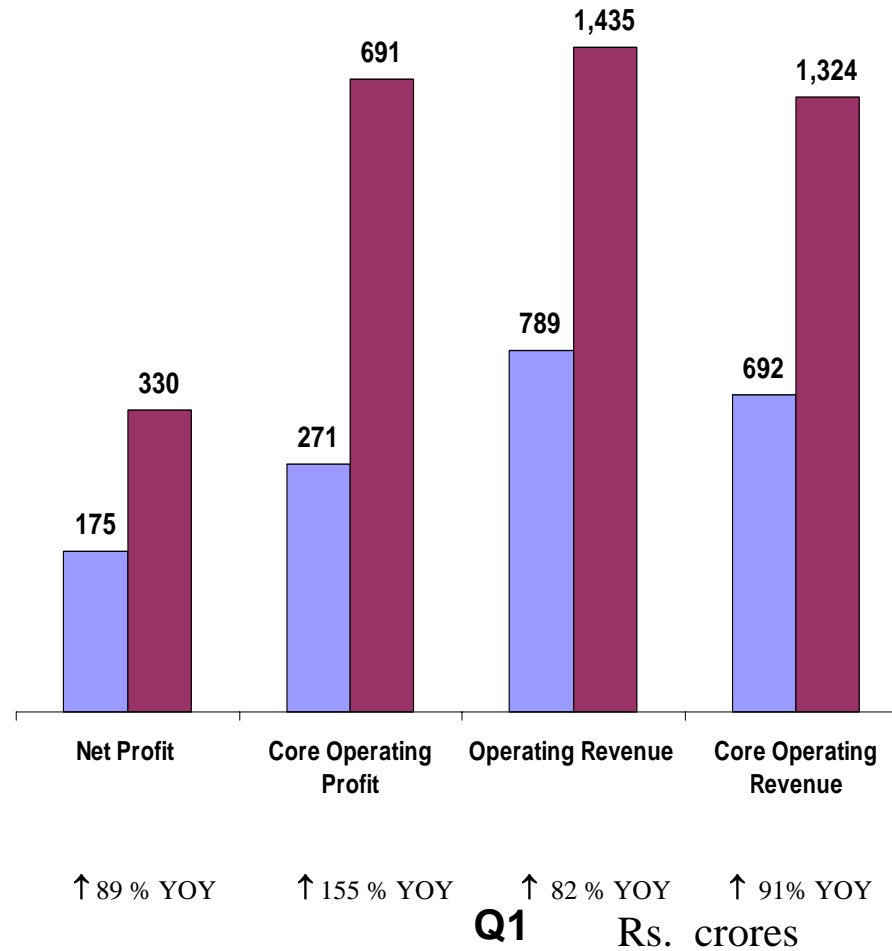
*The growth in Net Profit was recorded after making a provision of Rs. 225.20 crores on the depreciation of the Bank's investment portfolio, on account of weakening financial markets

INTERPRETATION OF Q1 PERFORMANCE

- Rapid Growth in the Bank's core businesses
 - Total Net Advances grow 48% yoy to Rs. 61,160 crores
 - Total Investments grow 34% yoy to Rs. 35,718 crores
 - Total Assets register a 44% yoy growth, rising to Rs. 113,660 crores
 - Fees grow by 80% yoy, rising to Rs. 484 crores
 - Share of demand deposits in total deposits at 40%
- Retail Assets grow by 52% yoy to Rs. 14,638 crores; constitute 24% of total advances, as against 23% a year ago
- Net NPAs at 0.47%, compared to 0.59% as at end June'07
- Book Value per share at Rs. 254.42, compared to Rs. 127.02 as at end June'07
- Capital Adequacy at 13.25% as against 11.50% a year ago
- Adequately capitalised: Tier I at 9.93%

PROFITABILITY

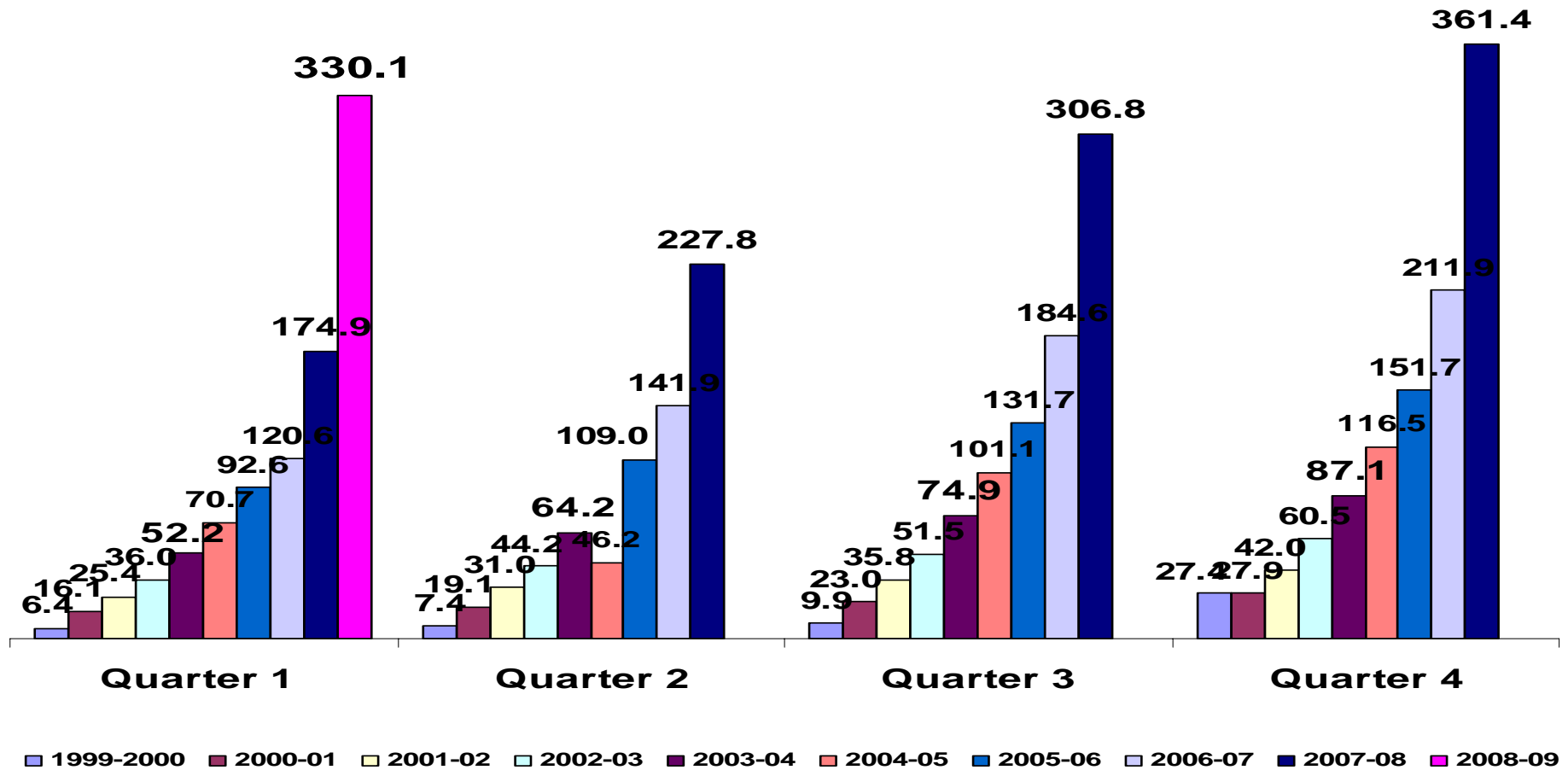
■ FY 07-08
■ FY 08-09



Core Operating Revenue and Core Operating Profit have been computed after removing the impact of trading income

CONSISTENT NET PROFIT GROWTH

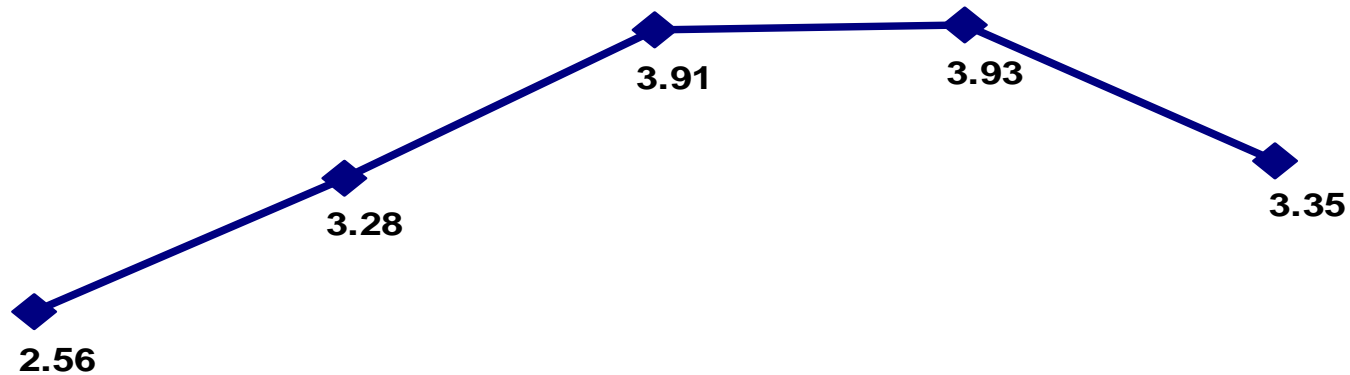
The Bank has grown by over 30% yoy in 32 out of the last 34 quarters



Rs. crore



NET INTEREST MARGINS



NIMs in the last 5 years (%)

FY 03-04:	3.12
FY 04-05:	2.90
FY 05-06:	2.85
FY 06-07:	2.74
FY 07-08:	3.47

The downward pressure on the NIM is on account of the rising cost of funds in Q1 as well as lower proportion of demand deposits compared to Q4 of the previous year.

Q1FY08

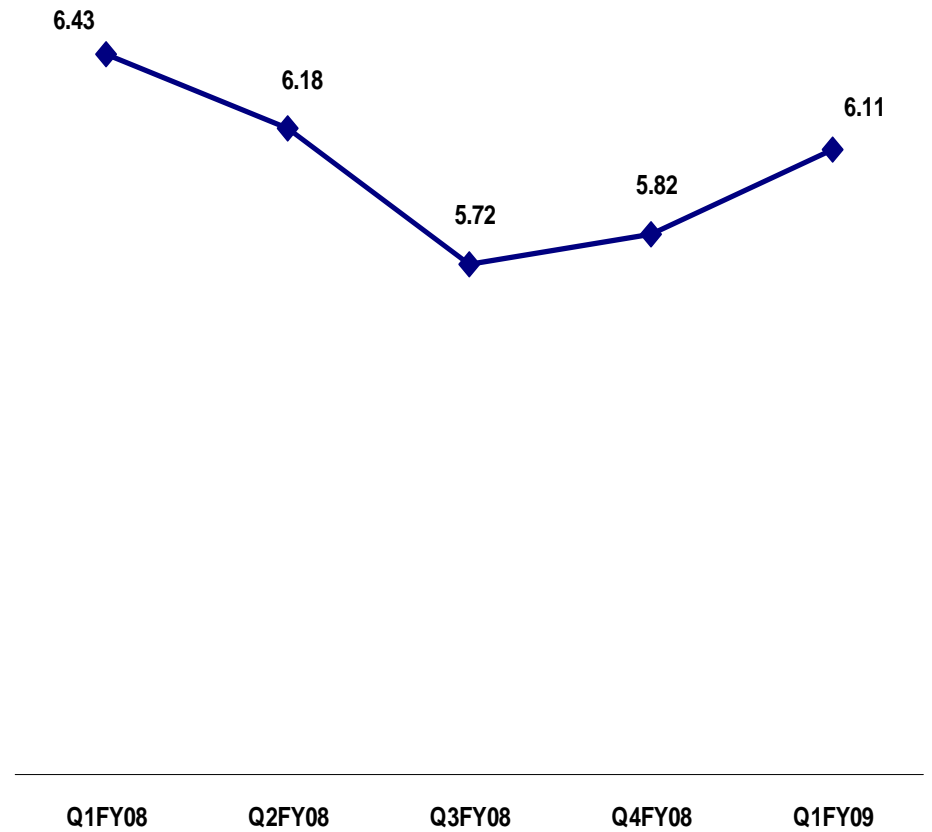
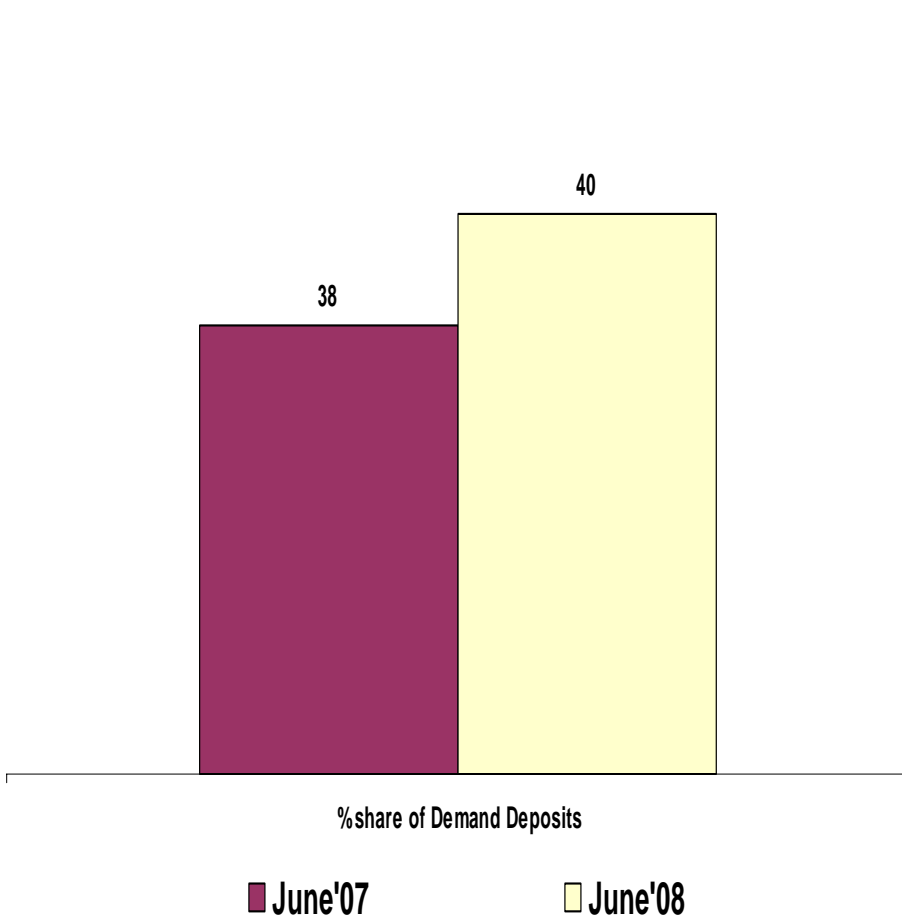
Q2FY08

Q3FY08

Q4FY08

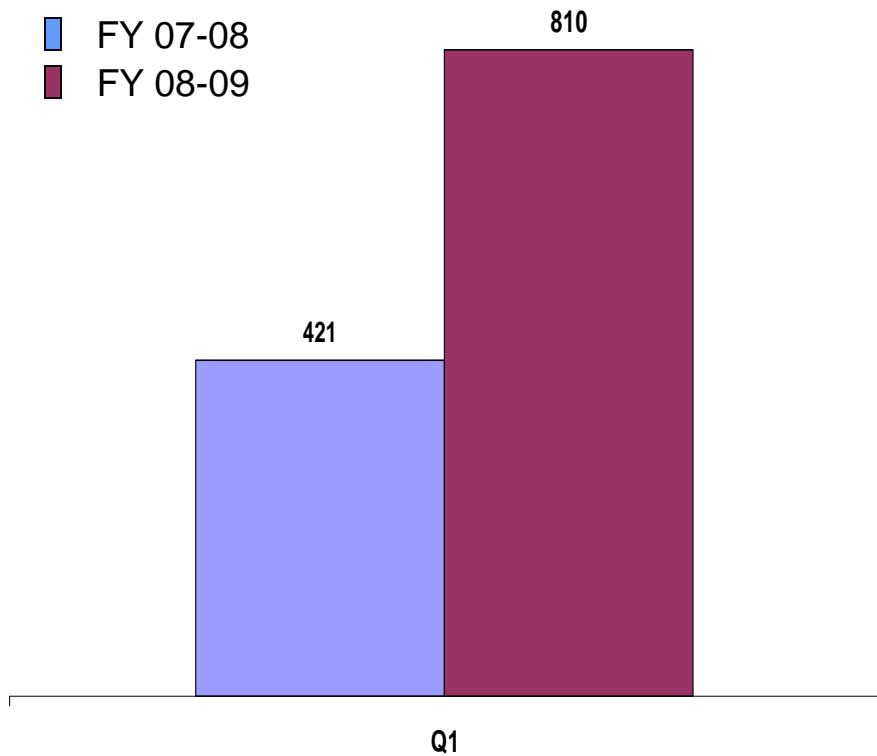
Q1FY09

COST OF FUNDS



Cost of Funds computed on a Daily Average basis (%) 7

GROWING NET INTEREST INCOME



↑93 % YOY

Rs. crores

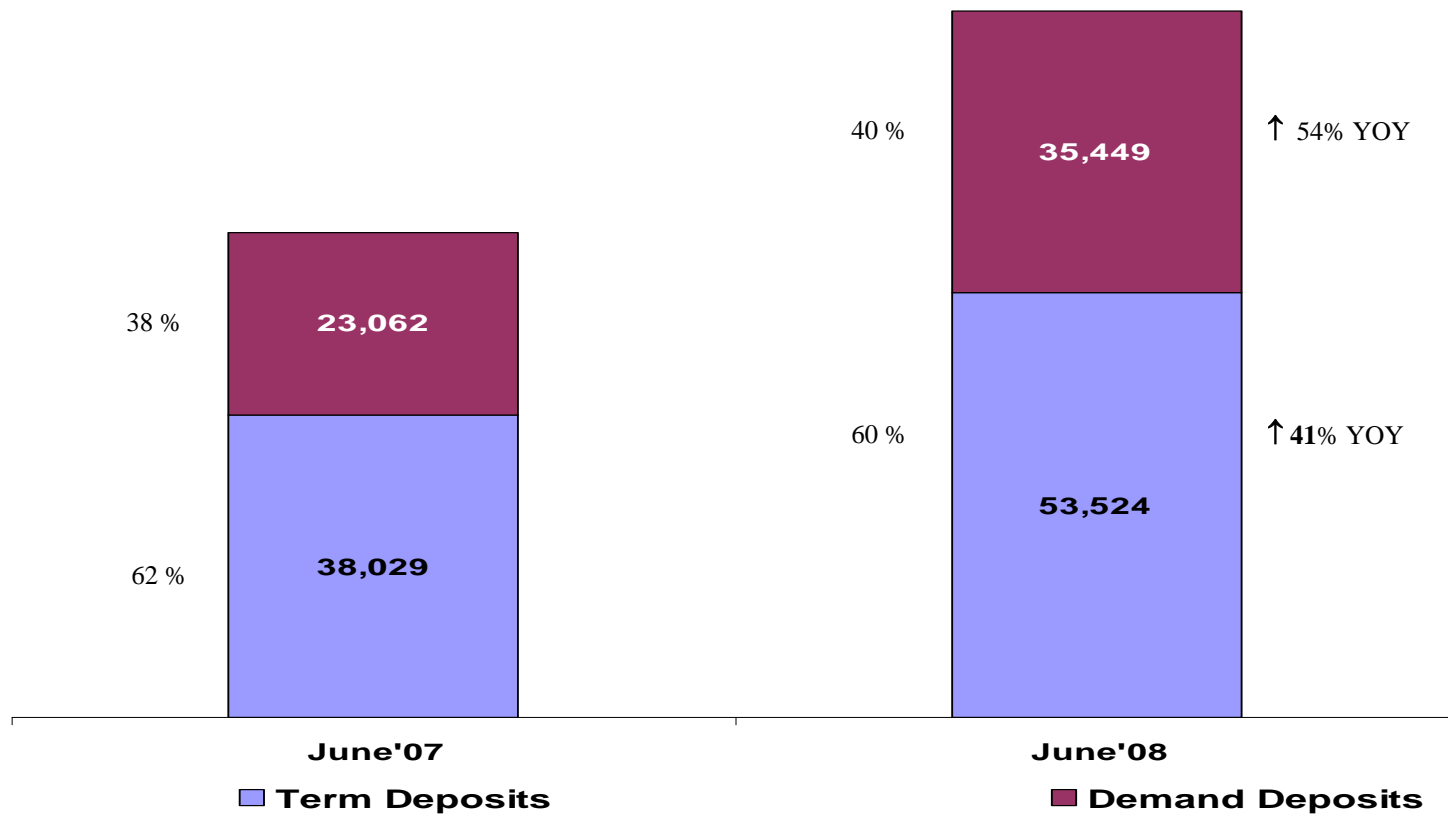
NII in the last 5 years

(Rs. crores)

FY 03-04:	577
FY 04-05:	731
FY 05-06:	1,078
FY 06-07:	1,468
FY 07-08:	2,585
CAGR : 5 years	52 %

GROWING DEMAND DEPOSITS

YoY growth in daily average demand deposits (%)	
Deposit	Q1 FY09
Savings	54
Current	49
TOTAL	52



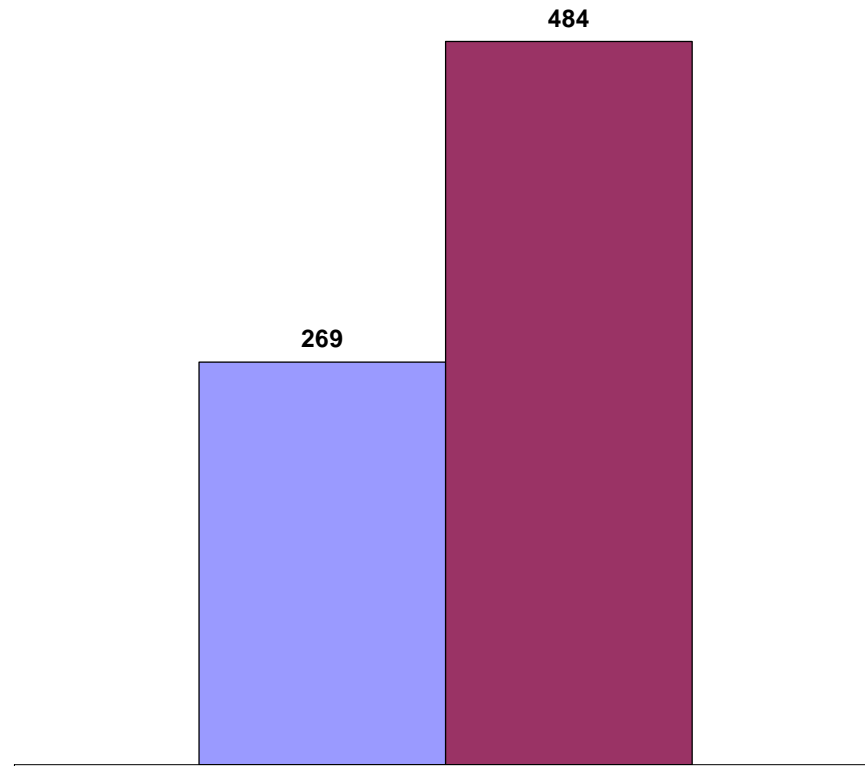
Rs. crores

FEE INCOME

■ FY 07-08
■ FY 08-09

Fees in the last 5 years (Rs. crores)

FY 03-04:	182
FY 04-05:	331
FY 05-06:	489
FY 06-07:	779
FY 07-08:	1,321
CAGR : 5 years	56%



Q1

↑ 80 % YOY

Rs. crores

10

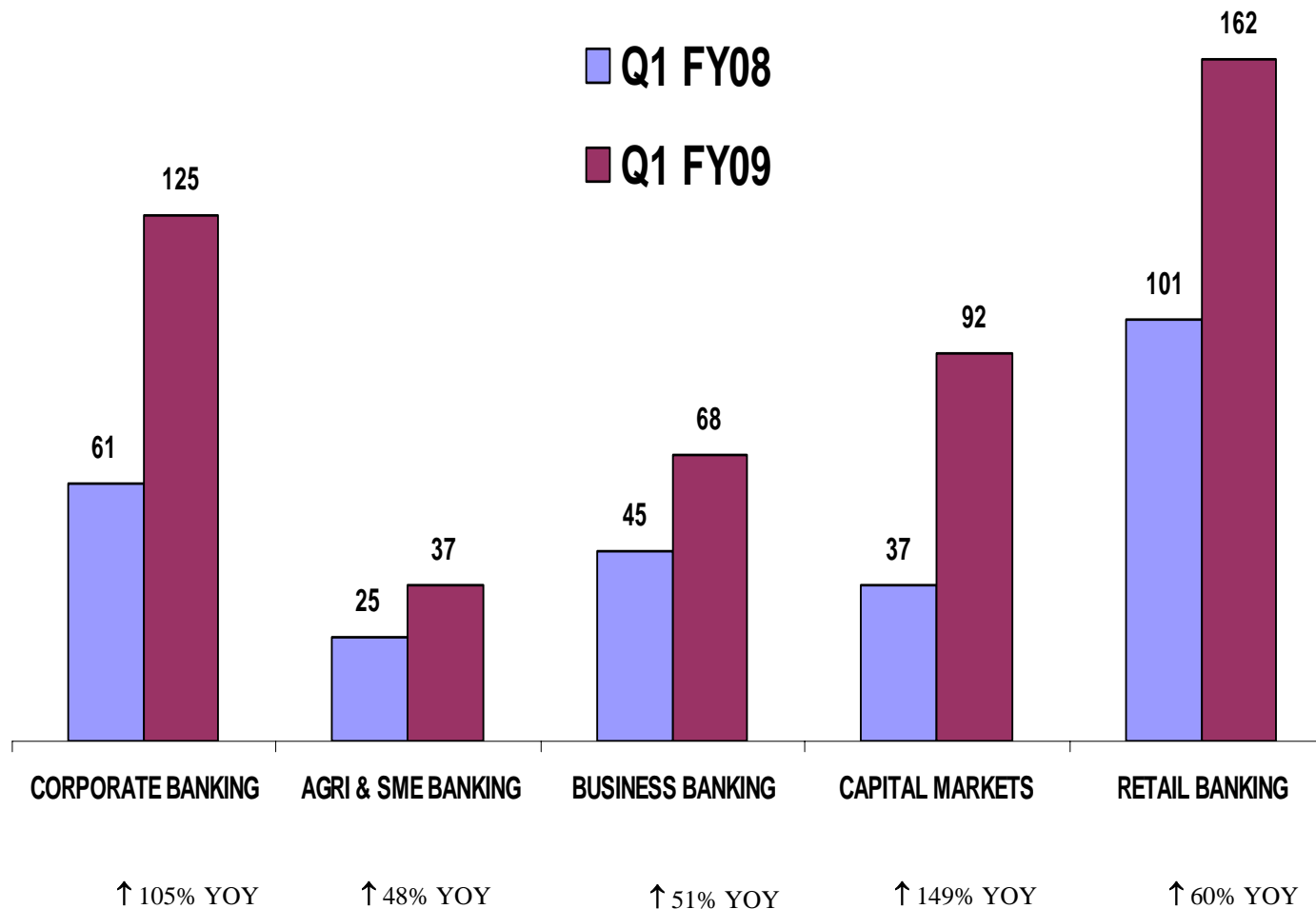


AXIS BANK

FEE INCOME COMPOSITION

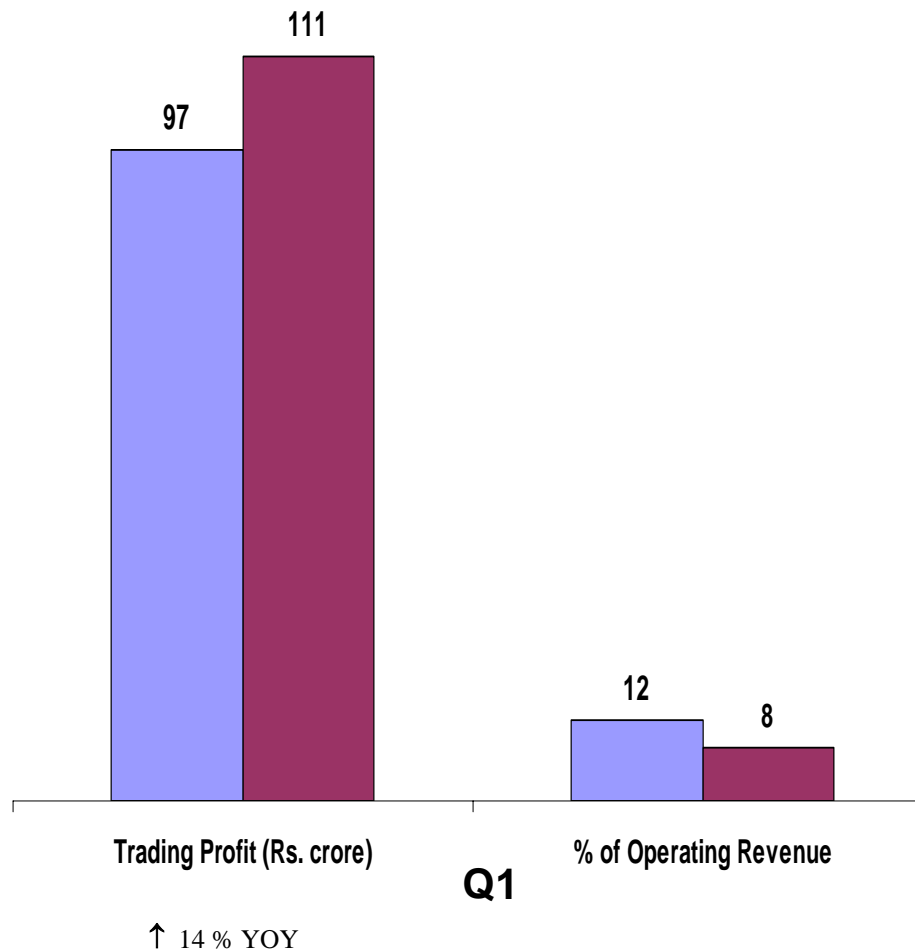
In Q1, Fees have grown particularly strongly in Capital Markets and Corporate Banking

Rs. crore



TRADING INCOME

FY 07-08
FY 08-09



- Customer Forex earnings are included in Trading Income
- These amounted to Rs. 52.78 crores in Q1 FY09.

BUSINESS OVERVIEW

CORPORATE BANKING

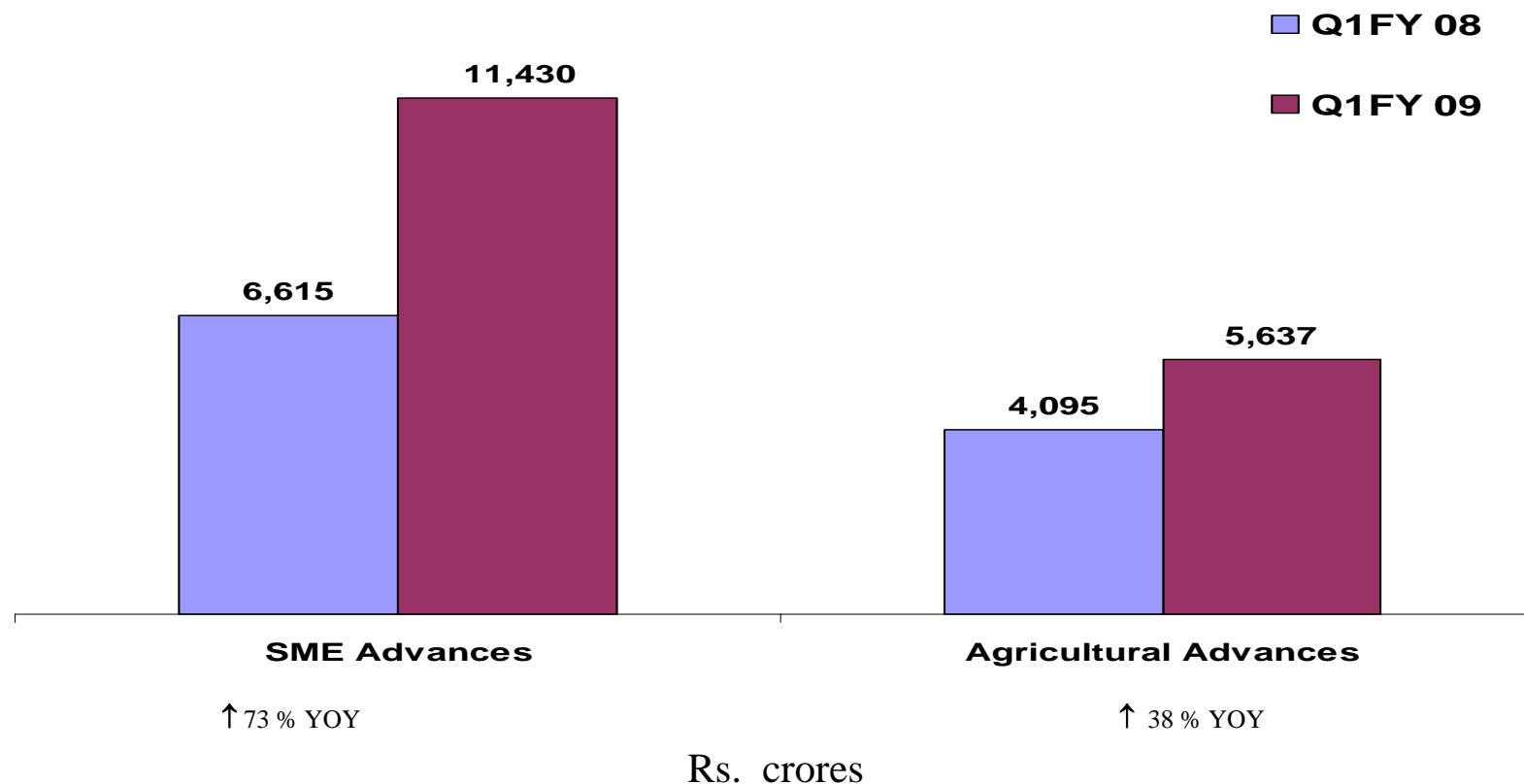
- **Focus on quality of credit assets with stress on corporates having**
 - **Global competitive advantage in their businesses**
 - **Good corporate governance and management practices**
- **Business Segments**
 - **Large Corporates**
 - **Mid Corporates**
 - **Channel Financing**
 - **Structured Products**
- **Rigorous and regular risk assessment of individual accounts**
 - **Rating Tools and Monitoring Tools**
- **Offer broad suite of products with continued focus on customised offerings**

TOP SECTOR EXPOSURES

Rank	Sectors	% Exposure of		
		Total	Fund Based	Non-Fund Based
1	Gems & Jew ellery	8.97**	2.25	22.49
2	Metals	8.24	9.16	6.36
3	Infrastructure	7.70	4.86	13.41
4	Real Estate	7.68	7.60	5.03
5	Financial Companies*	7.33	8.23	5.53
6	Trade	5.64	5.98	4.98
7	Textiles	5.43	7.32	1.62
8	Petrochemicals	4.02	1.37	9.35
9	Food Processing	4.00	4.95	2.10
10	Chemicals	3.99	3.46	5.05

As on 30.6.2008 * Housing Finance Companies and other NBFCs. **76% of this exposure is backed by cash margins

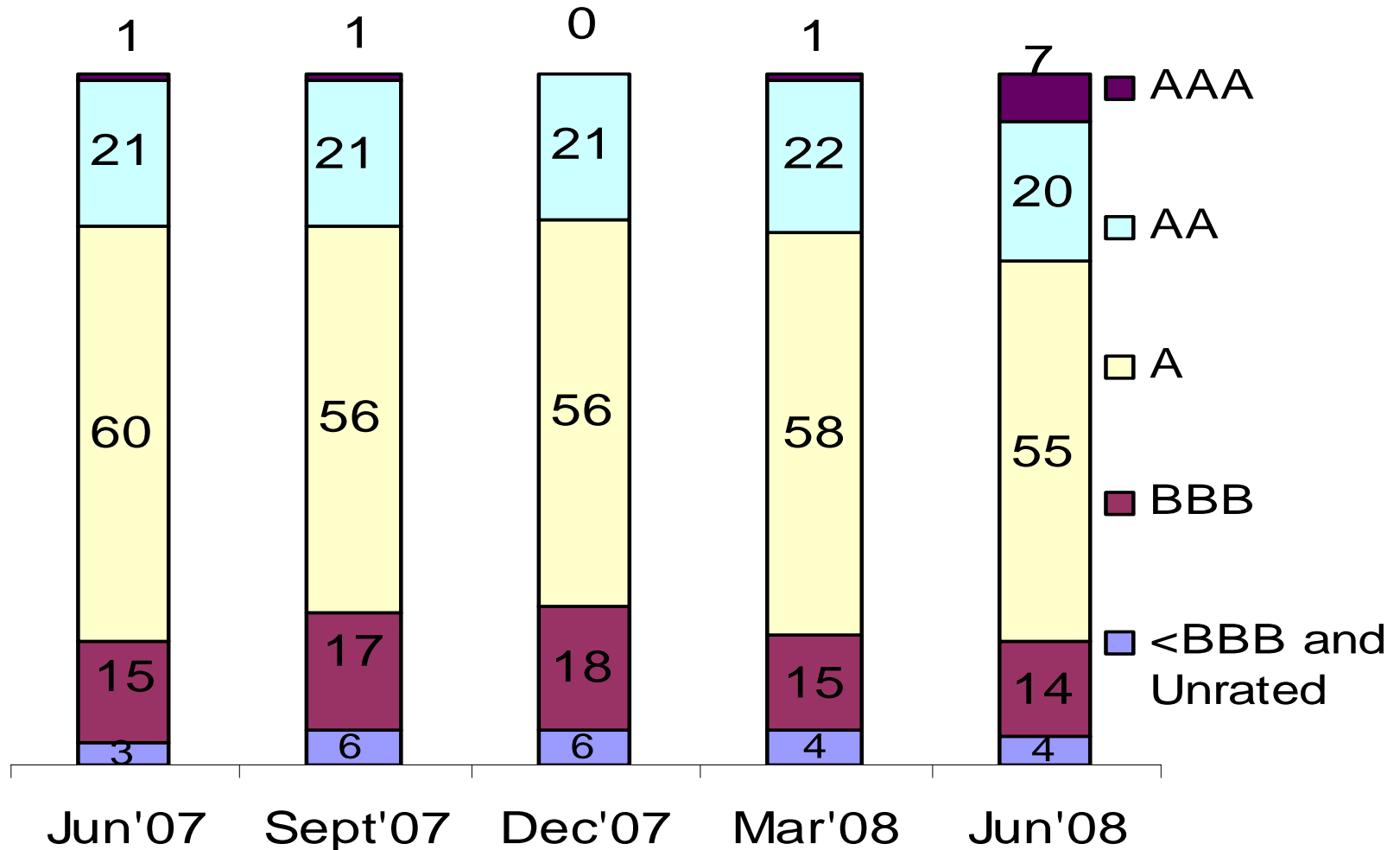
SME & AGRI BANKING



- **Specialised SME Centres**
 - 24 Centres at Jun'08, as against 20 Centres at Jun'07
- **Specialised Clusters for Agricultural lending**
 - 39 Agri-Clusters at Jun'08, as against 28 clusters at Jun'07

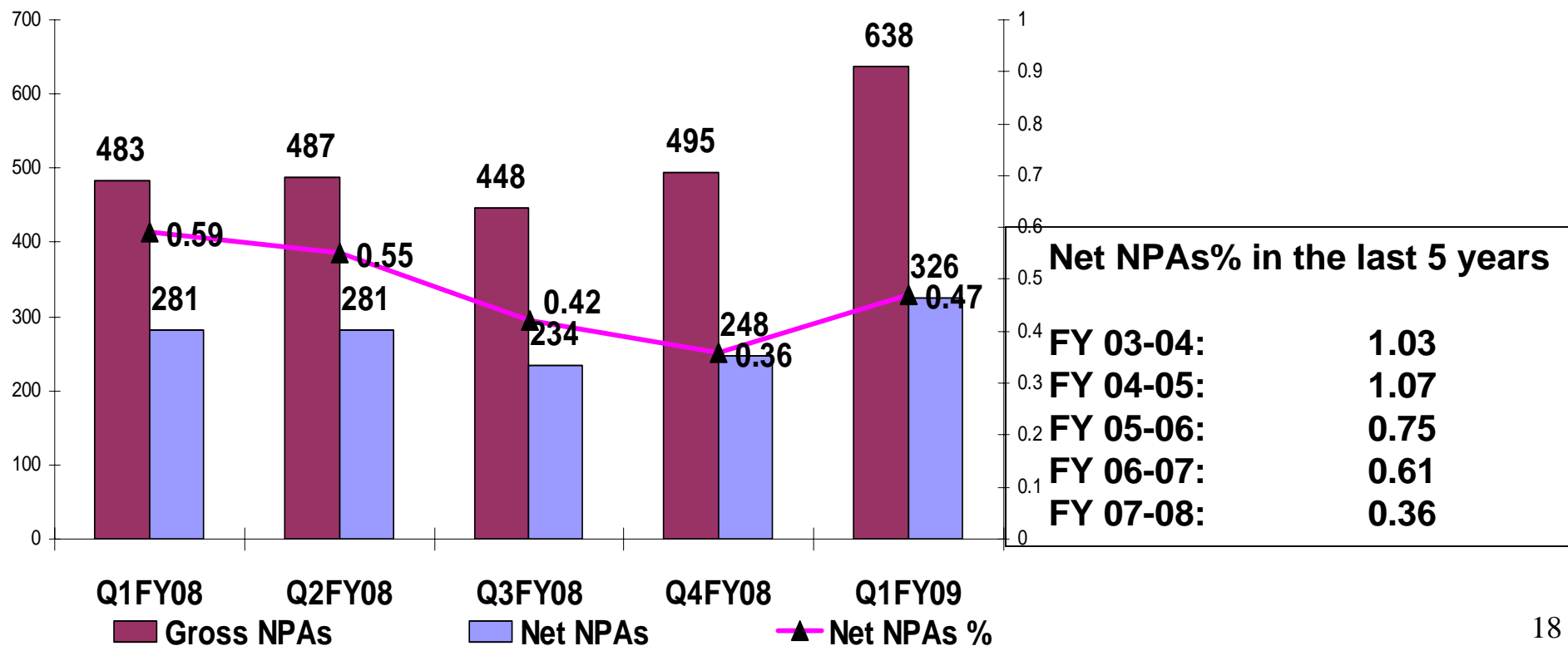
CONSISTENCY IN ASSET QUALITY

82% of corporate advances have rating of at least 'A' as at Jun'08



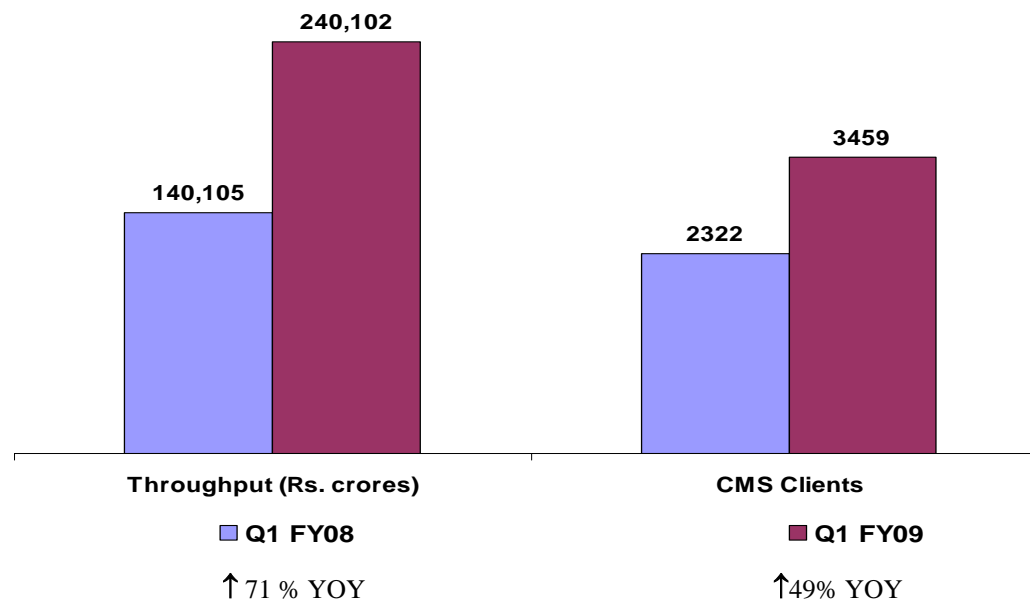
STRESSED ASSETS

NET NPA %



BUSINESS BANKING

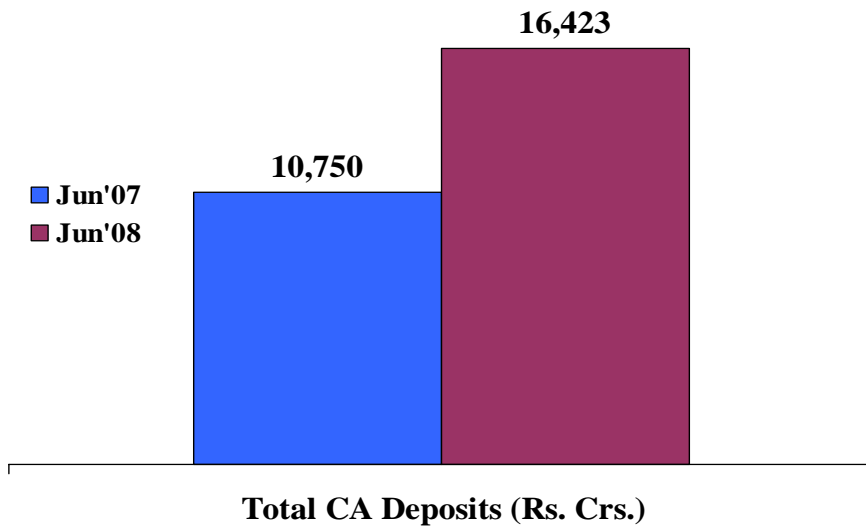
CASH MANAGEMENT SERVICES



- The Bank collects Central Government Taxes on behalf of CBDT and CBEC, including through e-Payments.
- The Bank collects State Taxes on behalf of seven State Governments and UTs
- Collections & Payments for Central Government Ministries - Railways, Urban Development and Housing & Urban Poverty Alleviation.
- Collections under e-Governance initiatives of 4 State Governments and Chandigarh

BUSINESS BANKING

CURRENT ACCOUNTS GROWTH



Current Account deposits in the last 5 years, ending March

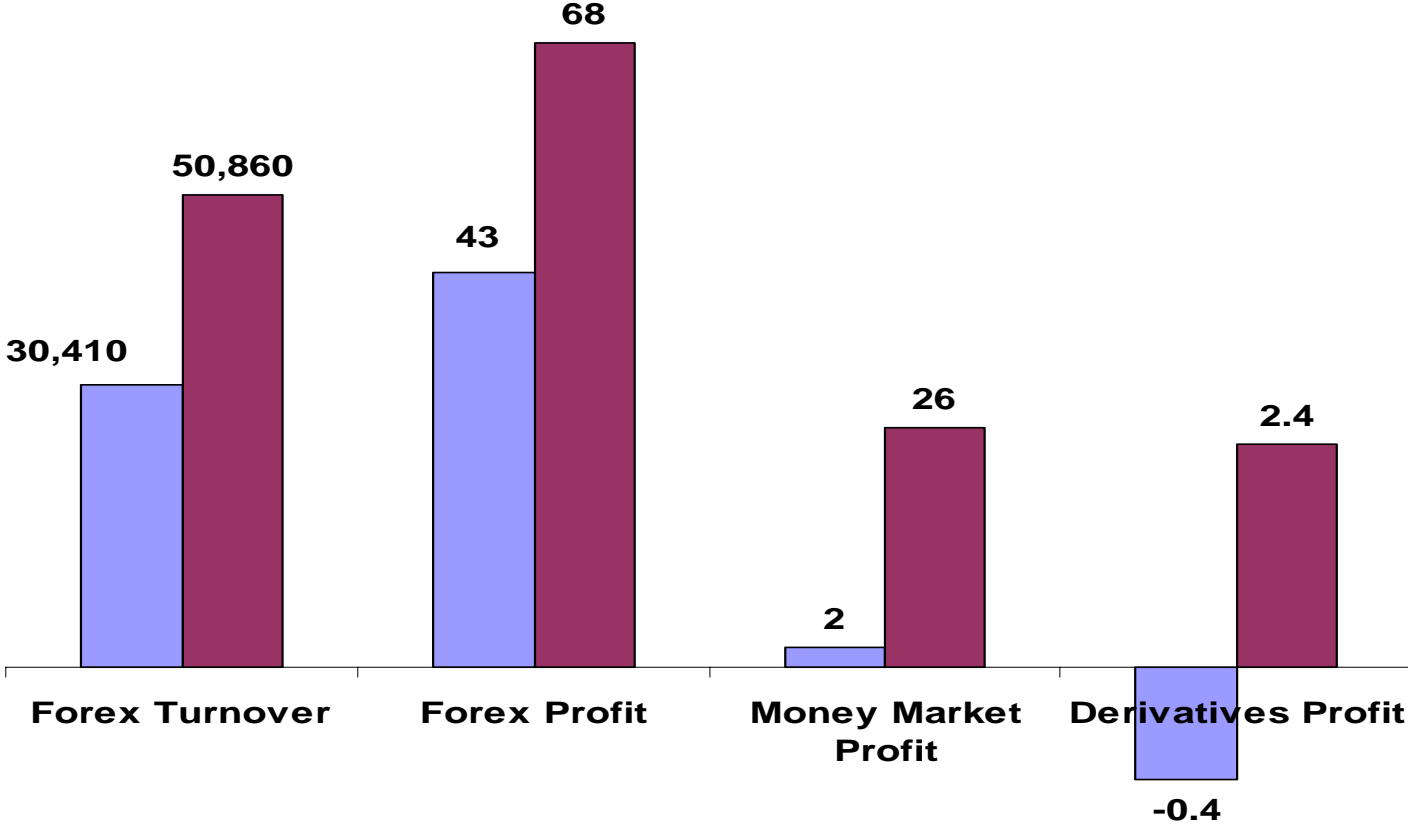
	Rs. crores
Mar'04	5,394
Mar'05	7,155
Mar'06	7,970
Mar'07	11,304
Mar'08	20,045
CAGR 5Years	52%

↑ 53% YOY

- Wide Range of Products
- Customised offerings for various business segments
- Growth aided by “Club 50” & “Channel One” – high-end premium products
- Broad-based sales strategy
- Focused approach for Corporates, Institutions & Government

TREASURY

FY 07-08
FY 08-09



↑ 67 % YOY

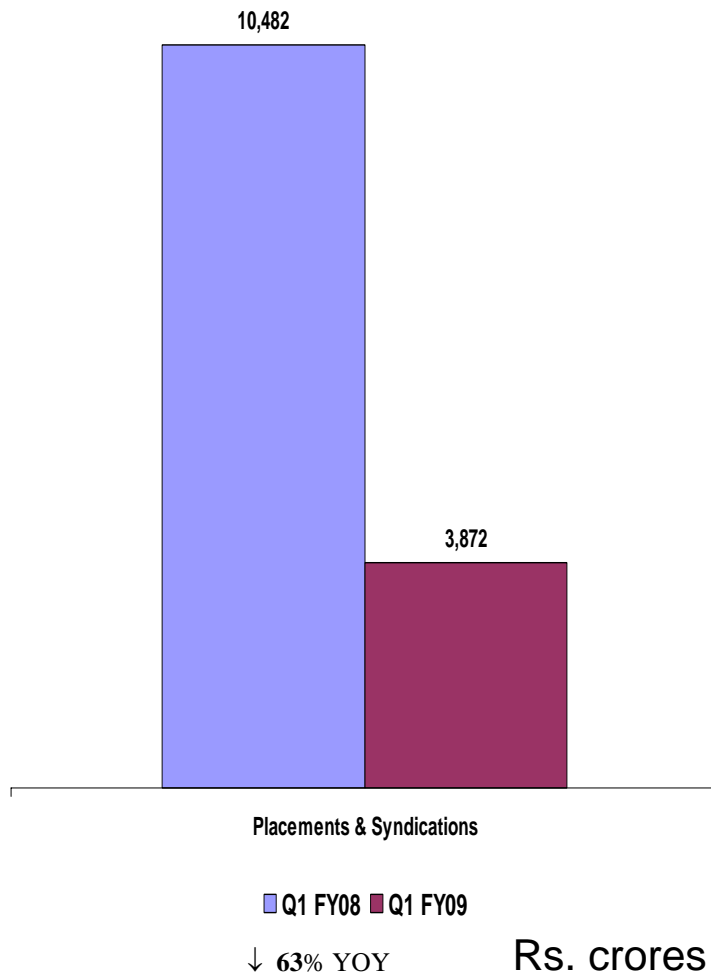
↑ 58 % YOY

↑ 1200 % YOY

Rs. crores

Q1

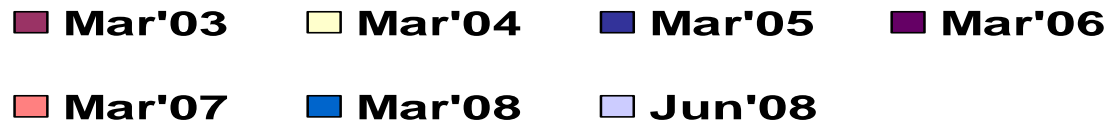
CAPITAL MARKETS



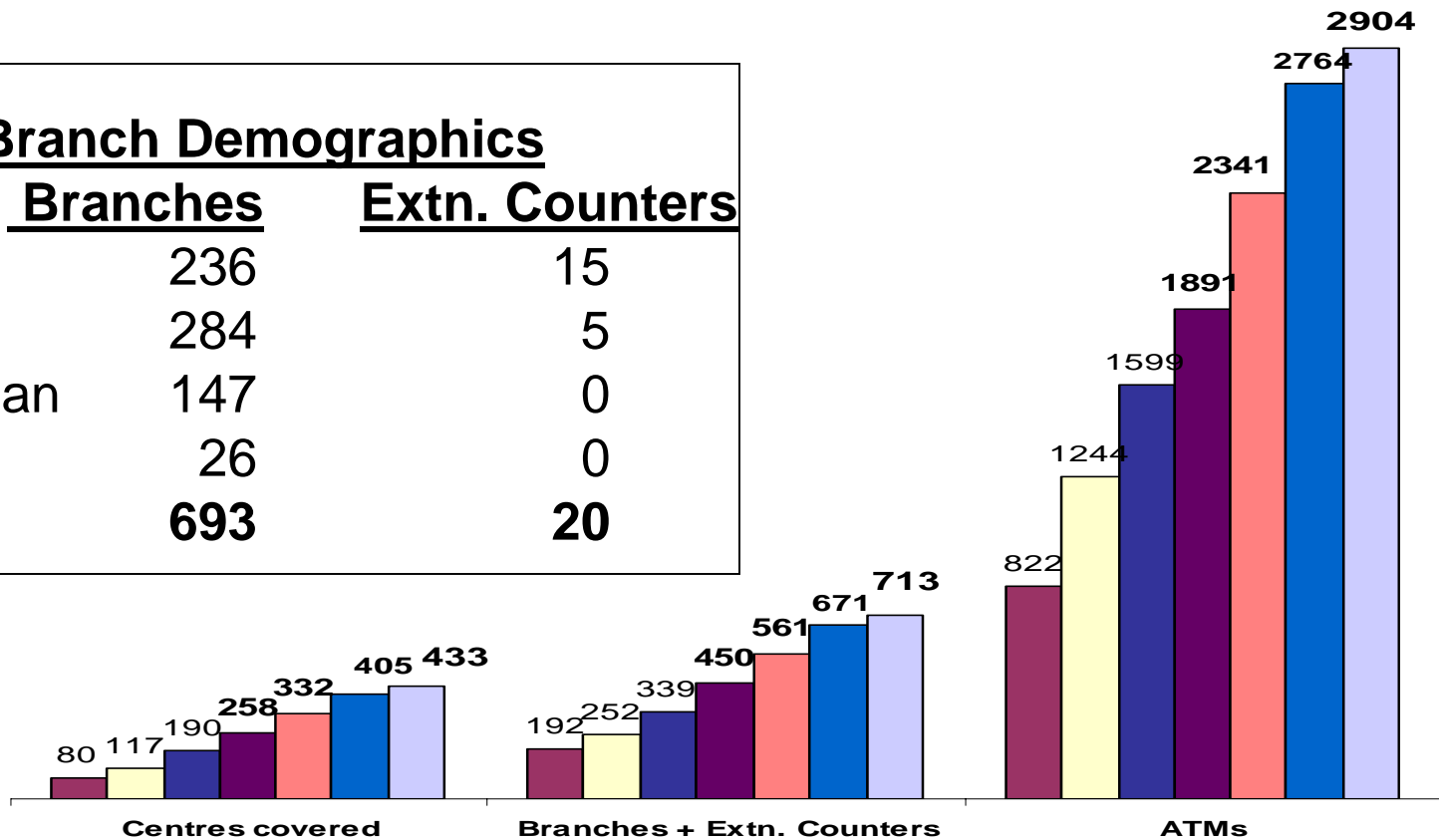
- A dominant player in Placement and Syndication of debt issues
- Ranked No.1 as debt Arranger by Prime Database for the year ending Mar'08
- Ranked No.1 in the Bloomberg Underwriters League Table for Indian Domestic Bonds for the six months ended June 2008
- Project Advisory Services mandates increase
- Recent Awards
 - Euromoney 2008: Best Debt House - India
 - Finance Asia 2008: Best Bond House in India
 - Asia Money 2008: Best Domestic Debt House

RETAIL BANKING

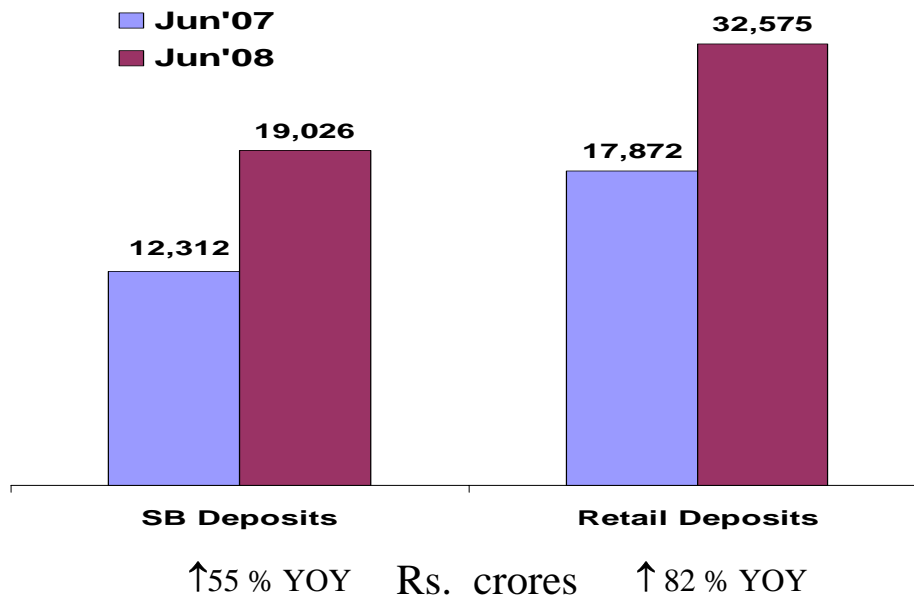
INCREASING REACH



<u>Branch Demographics</u>		
	<u>Branches</u>	<u>Extn. Counters</u>
Metro	236	15
Urban	284	5
Semi-urban	147	0
Rural	26	0
TOTAL	693	20



SAVINGS BANK GROWTH



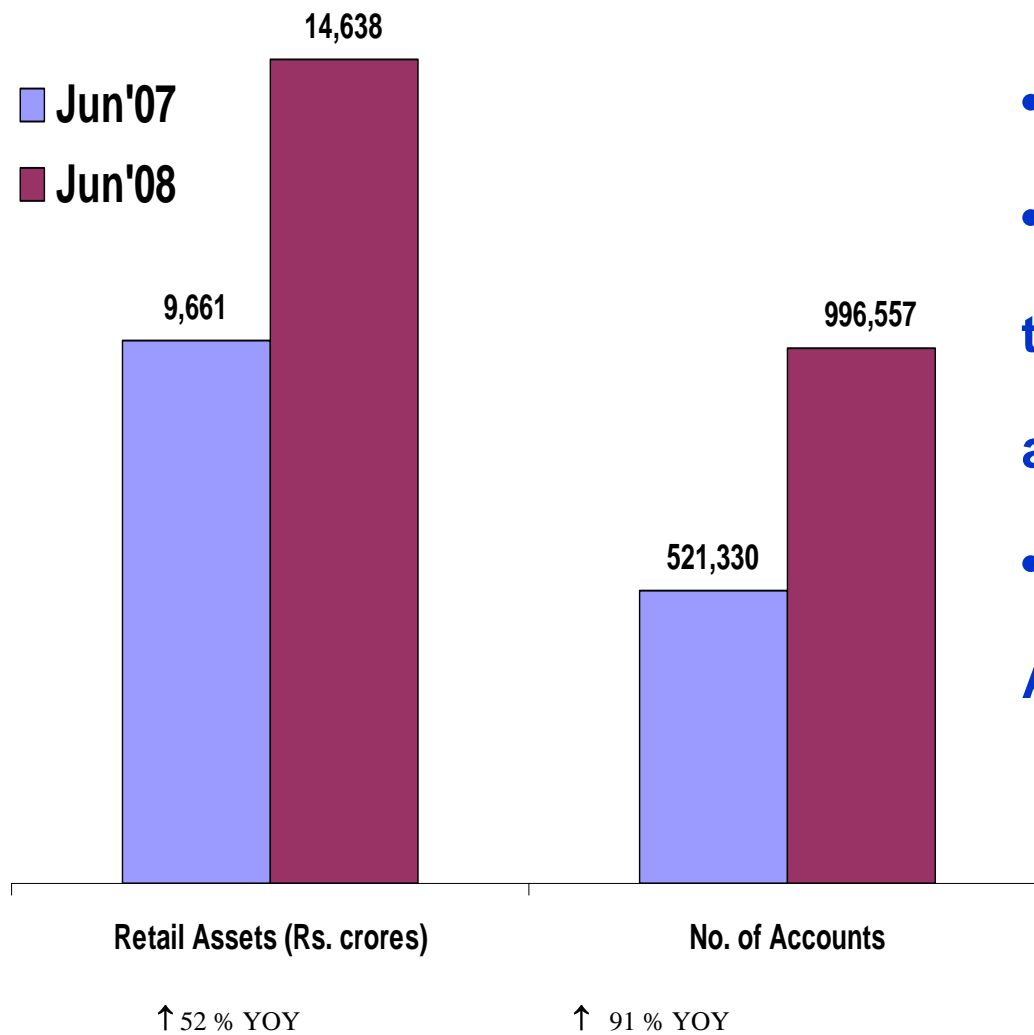
Savings Bank deposits in the last 5 years, ending March

	Rs. crores
Mar'04	2,585
Mar'05	4,891
Mar'06	8,065
Mar'07	12,126
Mar'08	19,982
CAGR 5Years	70%

Savings Bank growth led by:

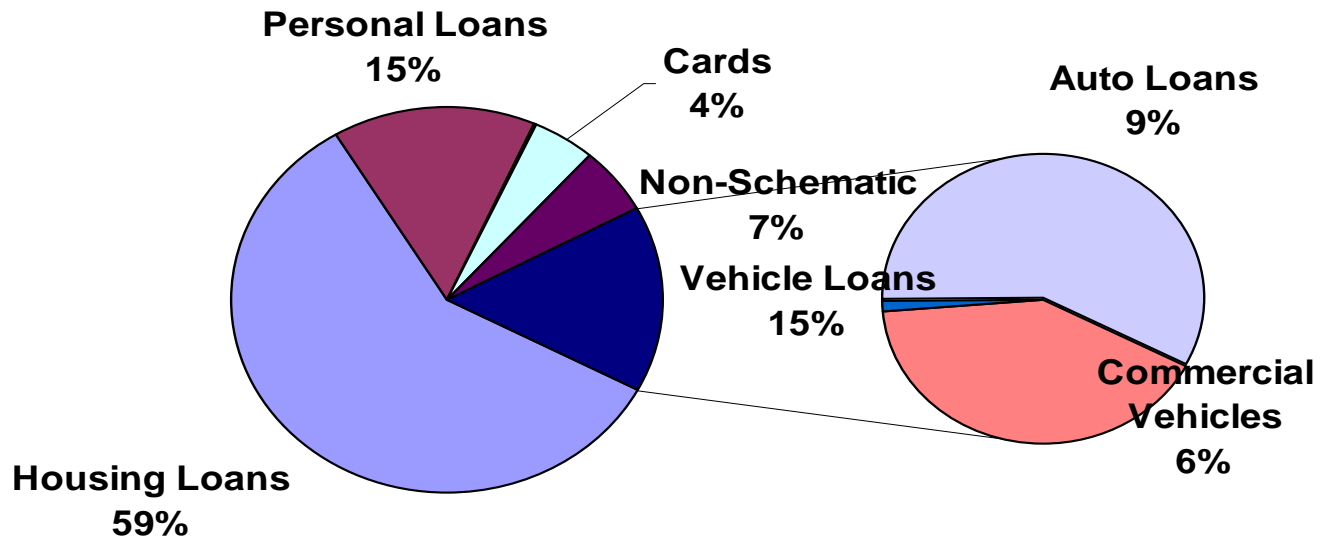
- Wide Network - Branch and ATM Channel reach
- Bank's own sales channel
- Focused strategy for niche customer segments
- Corporate and Government payroll accounts
- Liability Sales Centres

RETAIL ASSETS

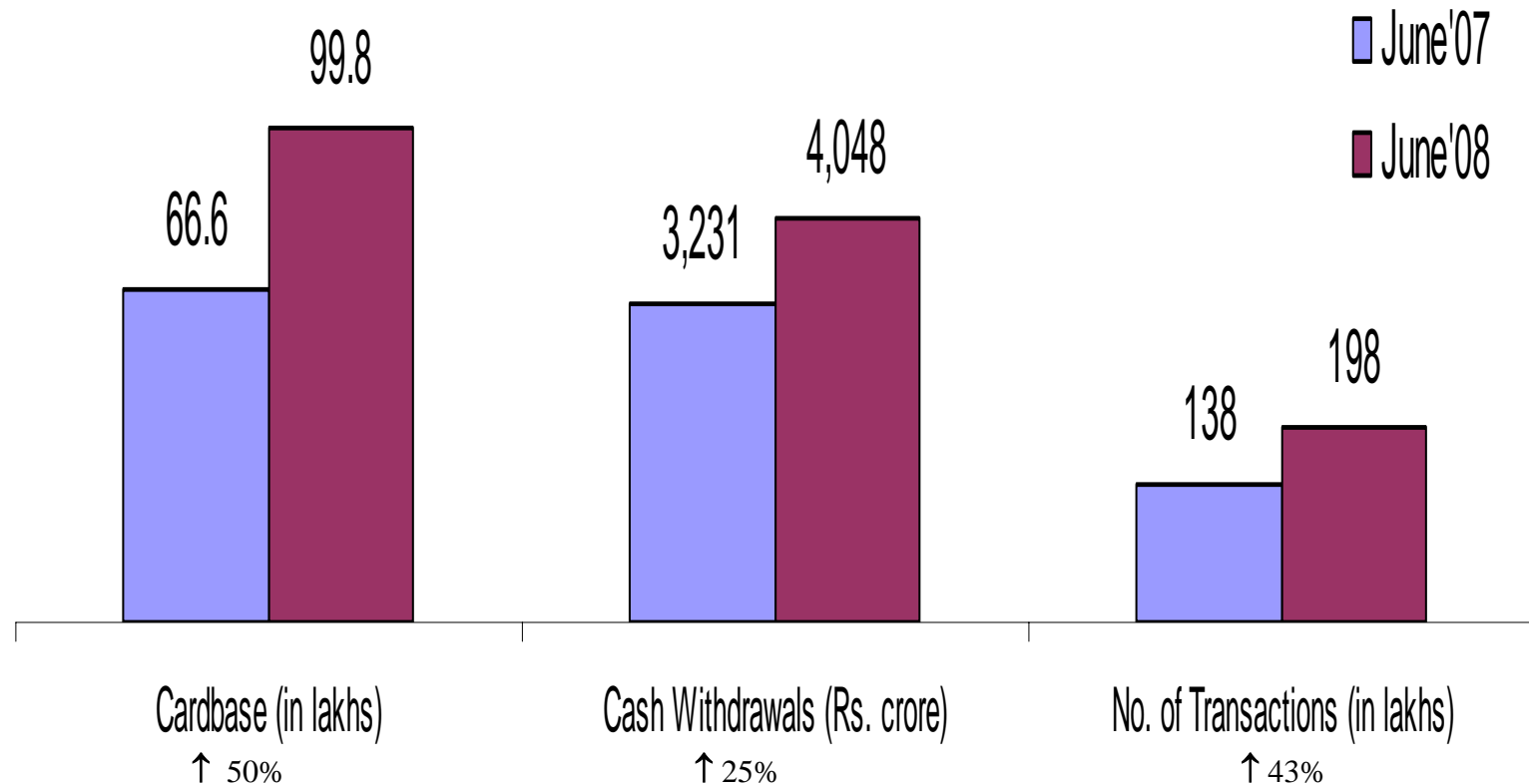


- Retail Assets grow 52% yoy
- Retail Assets constitute 24% of the Bank's total advances, as against 23% at end Jun'07
- Growth driven through Retail Asset Centres(RACs)

COMPOSITION OF RETAIL ASSETS

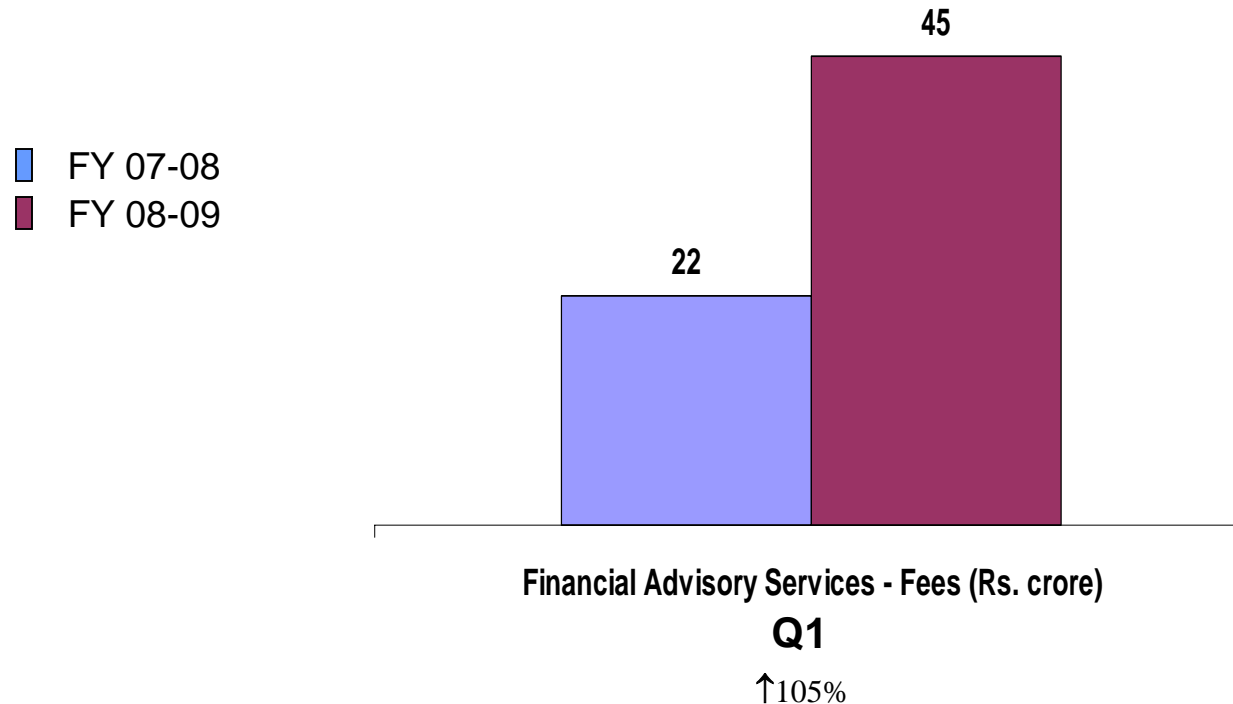


ATM CHANNEL MIGRATION



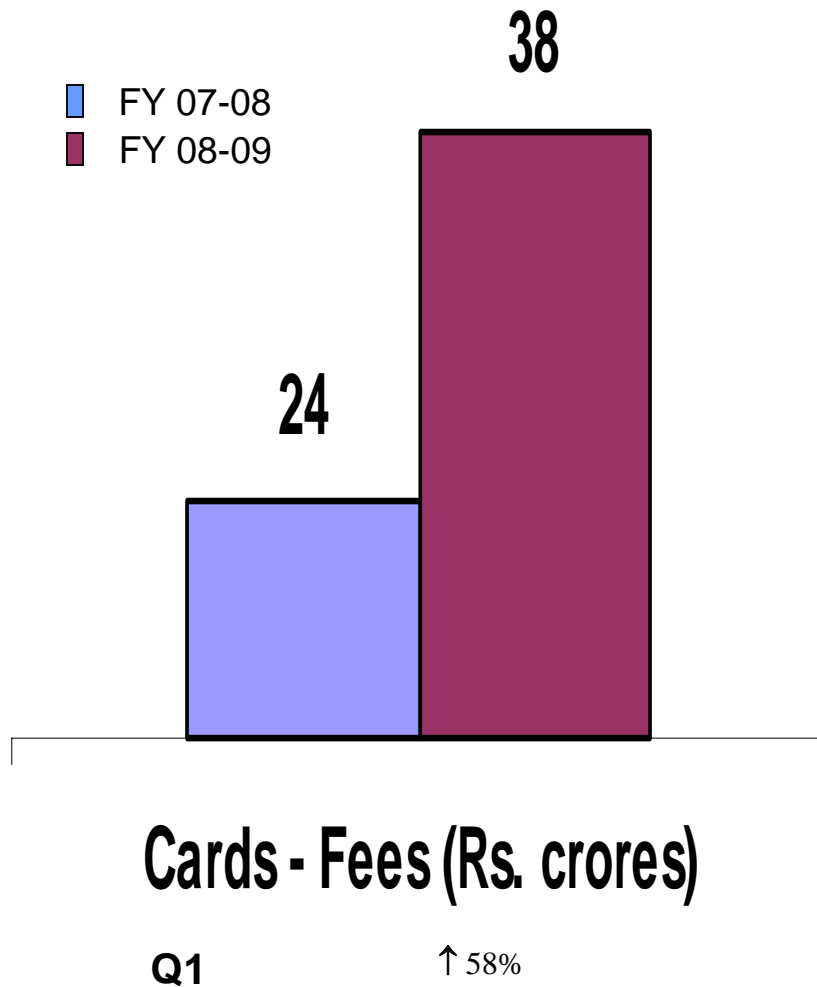
- Largest network provider for Euronet & Bancs consortia
- Value added services such as Bill Payments, MF Investments, Mobile Top-ups and VISA Money Transfer services

THIRD PARTY PRODUCTS BUSINESS



- Focus on cross-sell to Bank's existing customers to generate fee income
- Third-party products sold include: Mutual Funds, Insurance, On-Line Broking, Portfolio Management Services (Non-discretionary) and Gold Coins
- Systematic segmenting of customers

CARDS BUSINESS



- **Credit Cards launched in August 2006**
 - Over 486,000 Cards issued till end June'08
- **ISSUANCE**
 - 3rd largest debit card base in the country
 - 1st Indian Bank to launch Travel Currency Cards in 8 currencies - US\$, Euro, GBP, AUD, CAD, SGD, SEK, CHF
 - 1st Indian Bank to launch Remittance Card and Meal Card
- **ACQUIRING**
 - Installed base of over 78,000 EDCs and growing
- Cards business a significant contributor to Retail Fees

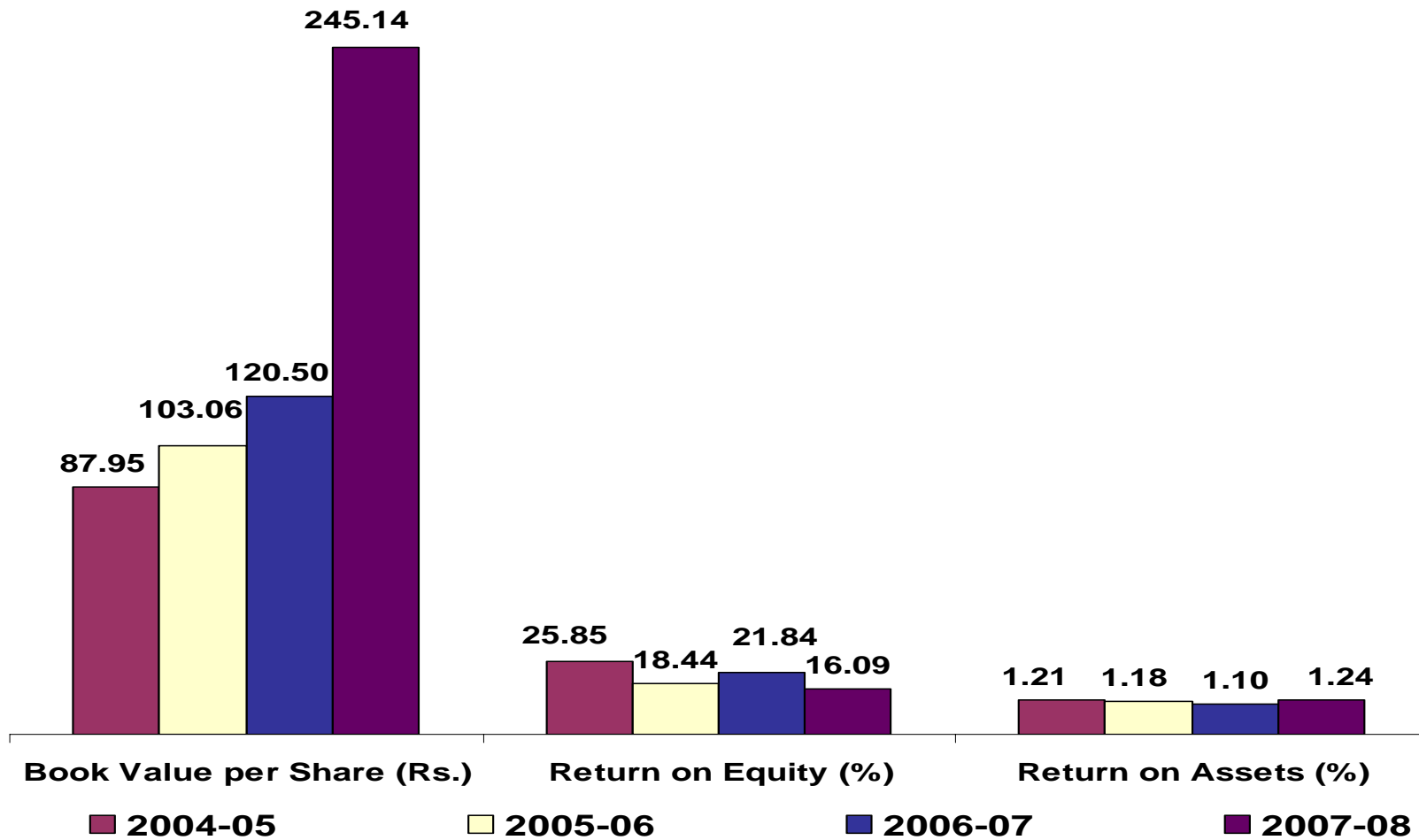
INTERNATIONAL PRESENCE

- Representative Office opened at Dubai in May'08
- Branches at Singapore, Hong Kong and DIFC, Dubai
- Representative office also at Shanghai
- Total assets under overseas operations amounted to US\$ 1.80 billion
- Corporate Banking, Trade Finance products, Debt Syndication and Liability businesses

INVESTMENT HIGHLIGHTS

- 15.41% Return on Equity (ROE) during Q1 FY09 as compared to 21.20% in Q1 FY08. Equity raising in Q2 FY08 lowered the ROE
- 1.19% Return on Assets (ROA) during Q1 FY09 as compared to 0.94% in Q1FY08
- An annualized return of over 42% (without including dividends), since the Bank's IPO in September 1998

SHAREHOLDER RETURNS



SHAREHOLDING

•Paid-up Share Capital - Rs. 358.56 crores

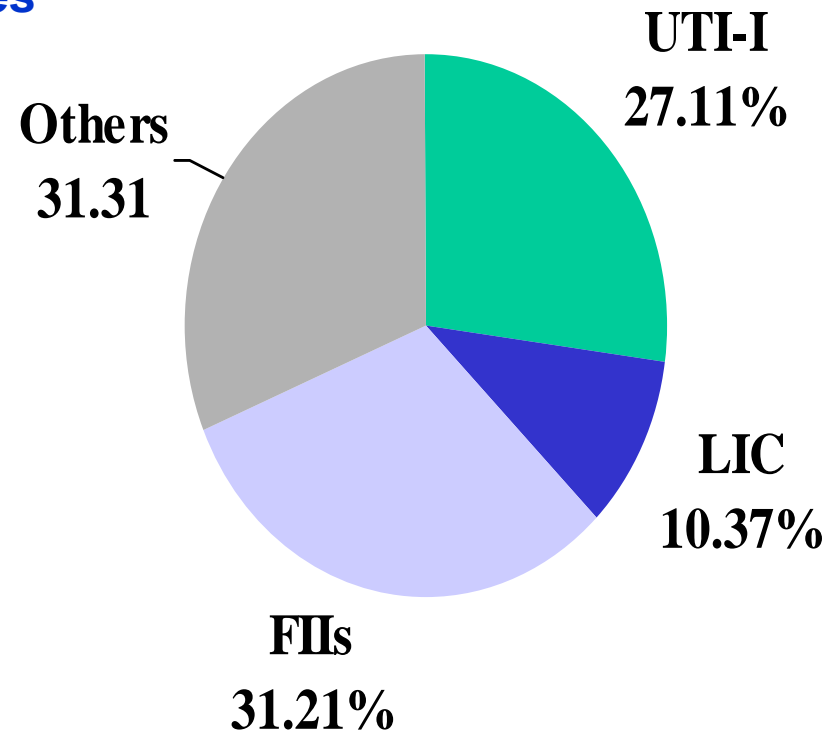
•Net Worth - Rs. 8,741.76 crores

•Book Value per share - Rs. 254.42

•Market Price as on 11/7/08 - Rs. 665.25

•Market Cap as on 11/7/08 - Rs. 23,856

crores (US \$ 5.56 billion)



SAFE HARBOR

- *Except for the historical information contained herein, statements in this release which contain words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “strategy”, “philosophy”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future levels of non-performing loans, our growth and expansion, the adequacy of our allowance for credit losses, our provisioning policies, technological changes, investment income, cash flow projections, our exposure to market risks as well as other risks. Axis Bank Limited undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

Thank You

